



MISSISSIPPI INSURANCE DEPARTMENT

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WOOLFOLK BUILDING
JACKSON, MISSISSIPPI 39201
www.mid.ms.gov

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MIKE CHANEY
Commissioner of Insurance
State Fire Marshal

MARK HAIRE
Deputy Commissioner of Insurance

RICKY DAVIS
State Chief Deputy Fire Marshal

May 10, 2022

Mr. Joseph Keith Decell, President
Versant Life Insurance Company
9016 Bluebonnet Boulevard
Baton Rouge, LA 70810

Re: Report of Examination as of December 31, 2020

Dear Mr. Decell:


Enclosed is a Corrected Order in the above-referenced matter. The only thing corrected from the Order mailed to your office on April 28, 2022, is the date of mailing on the "Certificate of Mailing" on page 4.

If you have any questions pertaining to this matter, please do not hesitate to contact me at 601-359-2548.

Sincerely,

MIKE CHANEY
COMMISSIONER OF INSURANCE

BY


Christina J. Kelsey
General Counsel

MC/CJK/bs
Enclosure

**BEFORE THE COMMISSIONER OF INSURANCE
OF THE STATE OF MISSISSIPPI**

**IN RE: REPORT OF EXAMINATION OF VERSANT
LIFE INSURANCE COMPANY**

CAUSE NO. 22-7693

ORDER

THIS CAUSE came on for consideration before the Commissioner of Insurance of the State of Mississippi ("Commissioner"), or his designated appointee, in the Offices of the Commissioner, 1001 Woolfolk Building, 501 North West Street, 10th Floor, Jackson, Hinds County, Mississippi, pursuant to Miss. Code Ann. § 83-5-201 et seq. (Rev. 2011). The Commissioner, having fully considered and reviewed the Report of Examination together with any submissions or rebuttals and any relevant portions of the examiner's work papers, makes the following findings of fact and conclusions of law, to-wit:

JURISDICTION

I.

That the Commissioner has jurisdiction over this matter pursuant to the provisions of Miss. Code Ann. § 83-5-201 et seq. (Rev. 2011).

II.

That Versant Life Insurance Company is a Mississippi-domiciled Company licensed to write Accident & Health, Credit Life, Credit Accident and Health, Life coverages.

FINDINGS OF FACT

III.

That the Commissioner, or his appointee, pursuant to Miss. Code Ann. § 83-5-201 et seq. (Rev. 2011), called for an examination of Versant Life Insurance Company and appointed Ryne Davison, Examiner-In-Charge, to conduct said examination.

IV.

That on or about March 29, 2022, the draft Report of Examination concerning Versant Life Insurance Company for the period of January 1, 2016 through December 31, 2020, was submitted to the Department by the Examiner-In-Charge, Ryne Davison.

V.

That on or about April 1, 2022, pursuant to Miss. Code Ann. § 83-5-209(2) (Rev. 2011), the Department forwarded to the Company a copy of the draft report and allowed the Company a 15-day period to submit any rebuttal to the draft report. On or about April 13, 2022, the Company responded by email.

CONCLUSIONS OF LAW

VI.

The Commissioner, pursuant to Miss. Code Ann. § 83-5-209(3) (Rev. 2011), must consider and review the report along with any submissions or rebuttals and all relevant portions of examiner work papers and enter an Order: (1) adopting the Report of Examination as final or with modifications or corrections; (2) rejecting the Report of Examination with directions to reopen; or (3) calling for an investigatory hearing.

IT IS, THEREFORE, ORDERED, after reviewing the Report of Examination, all relevant examiner work papers and the Company's rebuttal, that the Report of Examination of Versant Life Insurance Company attached hereto as Exhibit "A", should be and same is hereby adopted as final.

IT IS FURTHER ORDERED that a copy of the adopted Report of Examination, accompanied with this Order, shall be served upon the Company by certified mail, postage pre-paid, return receipt requested.

IT IS FURTHER ORDERED that the Mississippi Department of Insurance shall continue to hold the content of this report as private and confidential for a period of ten (10) days from the date of this Order, pursuant to Miss. Code Ann. § 83-5-209(6)(a) (Rev. 2011).

IT IS FURTHER ORDERED, pursuant to Miss. Code Ann. § 83-5-209(4) (Rev. 2011), that within thirty (30) days of the issuance of the adopted report, Versant Life Insurance Company shall file affidavits executed by each of its directors stating under oath that they have received a copy of the adopted report and related orders.

IT IS FURTHER ORDERED that Versant Life Insurance Company take the necessary actions and implement the necessary procedures to ensure that all recommendations contained in the Report of Examination are properly and promptly complied with.

SO ORDERED, this the 28th day of April 2022.



J. Mark Haire
MARK HAIRE
DEPUTY COMMISSIONER OF INSURANCE

CERTIFICATE OF MAILING

I hereby certify that a true and correct copy of the above and foregoing Order and a copy of the final Report of Examination, as adopted by the Mississippi Department of Insurance, was sent by certified mail, postage pre-paid, return receipt requested, on this the 28th day of April 2022, to:

**Mr. Joseph Keith Decell, President
Versant Life Insurance Company
9016 Bluebonnet Boulevard
Baton Rouge, LA 70810**



Christina J. Kelsey
Senior Attorney

Christina J. Kelsey
Senior Attorney
Counsel for the Mississippi Department of Insurance
Post Office Box 79
Jackson, MS 39205-0079
(601) 359-3577
Miss. Bar No. 9853



Mississippi Insurance Department

Report of Examination

of

VERSANT LIFE INSURANCE COMPANY

as of

December 31, 2020

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EXAMINER'S AFFIDAVIT AS TO STANDARDS AND PROCEDURES USED IN AN EXAMINATION

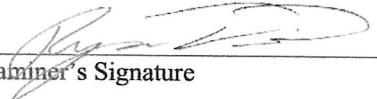
State of Texas,

County of Nueces,

Ryne Davison, being duly sworn, states as follows:

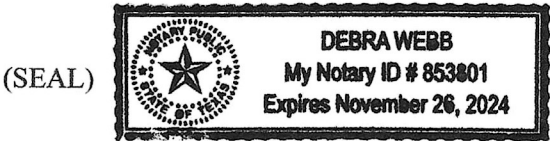
1. I have authority to represent the Mississippi Insurance Department in the examination of Versant Life Insurance Company as of December 31, 2020.
2. The Mississippi Insurance Department is accredited under the National Association of Insurance Commissioners Financial Regulation Standards and Accreditation.
3. I have reviewed the examination work papers and examination report, and the examination of Versant Life Insurance Company was performed in a manner consistent with the standards and procedures required by the National Association of Insurance Commissioners and the Mississippi Insurance Department.

The affiant says nothing further.



Examiner's Signature

Subscribed and sworn before me by Ryne Davison on this 27TH day of April, 2022.



Debra Webb

Notary Public

My commission expires 11-26-2024 [date].



MIKE CHANEY
Commissioner of Insurance
State Fire Marshal

MARK HAIRE
Deputy Commissioner of
Insurance

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January 25, 2022

Honorable Mike Chaney
Commissioner of Insurance
Mississippi Insurance Department
1001 Woolfolk Building
501 North West Street
Jackson, Mississippi 39201

Dear Commissioner Chaney:

Pursuant to your instructions and authorization and in compliance with statutory provisions, an examination has been conducted, as of December 31, 2020, of the affairs and financial condition of:

VERSANT LIFE INSURANCE COMPANY

633 North State Street
Jackson, MS 39202

License #	NAIC Group #	NAIC #	FEETS#	MATS#
0000009	905	93650	93650-MS-2019-4	MS-MS099-32

This examination was commenced in accordance with Miss. Code Ann. § 83-5-201 *et seq.* and was performed in Baton Rouge, Louisiana, at the main administrative home office of the Company. The report of examination is herewith submitted.

SCOPE OF EXAMINATION

We have performed a full scope, risk-focused financial examination of Versant Life Insurance Company (“Company”). The last examination covered the period of January 1, 2011, through December 31, 2015. This examination covers the period January 1, 2016, through December 31, 2020.

We conducted our examination in accordance with the NAIC *Financial Condition Examiners Handbook*. The Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer’s surplus to be materially misstated both currently and prospectively.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management’s compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Company’s financial statements.

This examination report includes significant findings of fact and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report but separately communicated to other regulators and/or the Company.

COMMENTS AND RECOMMENDATIONS OF PREVIOUS EXAMINATION

There were no comments and/or recommendations deemed necessary for purposes of the previous examination report.

HISTORY OF THE COMPANY

The Company, incorporated in December of 1999, was initially licensed by the Mississippi Insurance Department (“MID”) in May of 2000. The purpose of the Company’s organizing included carrying on the business commonly known as credit life, and credit accident and health insurance; providing insurance on the life of a debtor in connection with a specific loan or other credit transactions; providing insurance on a debtor to provide indemnity for payments becoming due on a specific loan or other credit transactions while the debtor is disabled as defined in the policy; and providing any and all other types of insurance contracts permitted by law, as well as entering into reinsurance agreements with other insurance companies.

The authorized stock of the Company at the time of incorporation was 1,000,000 shares of Class A Voting Common Stock, par value \$1 per share, and 100,000 shares of Class B Non-Voting Common Stock, par value \$1 per share, divided into and issued in 10,000 separate series designated by the number one (1) and ending with the series designated by the number ten thousand (10,000), each series having ten (10) authorized shares. The Articles of Association were amended in March 2000, authorizing the aggregate number of stock that can be issued by the Company to be 200,000 shares, with 100,000 shares being Class A Voting Common Stock, par value \$20 per share, and 100,000 shares of Class B Non-Voting Common Stock, par value \$1 per share, divided into and issued in the same series previously described. At December 31, 2020, the Company’s Class A Common Stock was wholly owned by Versant Casualty and the Class B Common Stock was owned by certain producers of the Company’s credit insurance products.

CORPORATE RECORDS

The minutes of the meetings of Stockholders and Board of Directors (“Board”), regarding the Company’s business affairs as recorded during the period covered by the examination, were reviewed and appeared to be complete and in order with regard to recording action on matters brought up at the meetings for deliberation.

MANAGEMENT AND CONTROL

Stockholders

The Company is a Mississippi domestic stock life insurance company that, at the examination date, had 24,000 shares of Class A stock issued and outstanding to Versant Casualty, and 125 shares of Class B stock issued and outstanding to certain producers. Class B stock is sold in series of 10 shares, with each series valued annually based on the experience of the business applicable to the series. The Class B shareholders have the right to sell their stock, and the Company is obligated to purchase these shares based on the annual valuation, which at December 31, 2020 totaled

\$1,429,889. However, these amounts, before any redemptions are paid, are subject to the approval of the Board of Directors, and no amount is payable if any such payment would cause the Company's capital and surplus to fall below statutory requirements.

The Company paid the following ordinary dividends during the examination period:

2016 – \$0
 2017 – \$25,000
 2018 – \$117,220
 2019 – \$0
 2020 – \$255,185

Board of Directors

The Articles of Incorporation and Bylaws vest the management and control of the Company's business affairs with the Board of Directors ("Board"). The members of the duly elected Board, along with their place of residence, and principal occupation, at December 31, 2020 were as follows:

Name and Residence	Principal Occupation
Jonathan Tyler Cannon Cleveland, Mississippi	General Manager Cannon Motor Company
Joseph Keith Decell Baton Rouge, Louisiana	President Louisiana Dealer Services Insurance, Inc
Richard T. Foley Pass Christian, Mississippi	Manager/Owner Turan Foley
Larry Dean Hart Biloxi, Mississippi	President Bayside Chrysler Dodge Jeep
Matthew George McKay Baton Rouge, Louisiana	President All Star Automotive Group
James Waldon Massey Fairhope, Alabama	Owner Walt Massey Automotive
Robert Tucker Weinmann Metairie, Louisiana	Owner Champion Chrysler Dodge Jeep
Bradley Yarbrough Natchez, Mississippi	President Natchez Ford

Committees

The Company utilized an Investment Committee during the examination period. The following directors/officers served on the Investment Committee at December 31, 2020:

Investment Committee
Joseph Keith Decell
Robert Lee Thomas
Matthew George McKay

* Effective February 4, 2021, the Company's Board of Directors acted as the Investment Committee, Audit Committee in instances where such was required.

Officers

The following are officers served for the Company at December 31, 2020:

Name	Title
Joseph Keith Decell	President
Robert Tucker Weinmann	Vice President
Robert Lee Thomas	Secretary, Treasurer
Jason Shannon Rasti	Executive Vice President

Conflict of Interest

The Company has formal procedures whereby disclosure was made to the Board of any material interest or affiliation on the part of any officer or director that is, or would likely be, a conflict with their official duties. These procedures were reviewed, and no conflicts or exceptions to the Company's policies were noted.

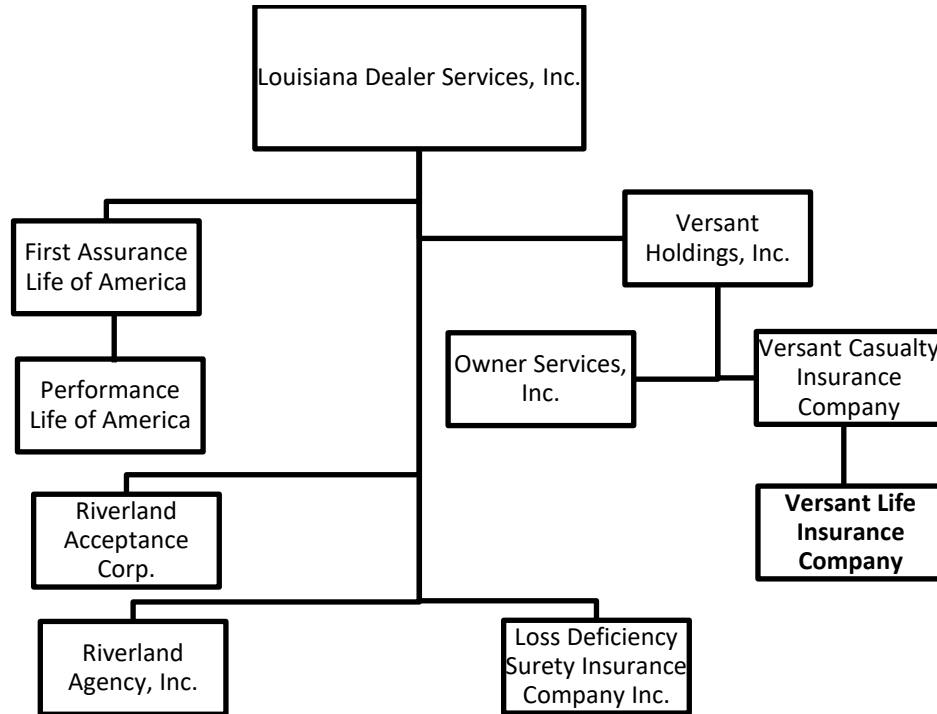
HOLDING COMPANY STRUCTURE

The Company is a member of an insurance holding company system as defined in Miss. Code Ann. § 83-6-1. Holding Company Registration Statements were filed during the examination period with the MID in accordance with Miss. Code Ann. § 83-6-5 and § 83-6-9. The statements and applicable amendments that were filed with the MID during the examination period were

reviewed and it appeared that any changes and material transactions by and between the Company and its affiliates were appropriately disclosed.

Organizational Chart

A simplified organizational chart as of December 31, 2020, reflecting the holding company system, is shown below. Schedule Y of the Company’s 2020 annual statement provided a list of all related companies of the holding company group.



Parent and Affiliated Companies

The following is information concerning the Company’s affiliates and subsidiary:

Louisiana Dealer Services Insurance, Inc. (“LDS”): This Louisiana-domiciled insurer was formed in 1977 and provided mechanical breakdown insurance. This company acted as the controlling company of the holding company group.

Versant Holdings, Inc. (“VHI”): This company was a 62.08% owned subsidiary of LDS. Through its directly and indirectly owned subsidiaries, VHI provided vehicle service contracts, guaranteed automotive protection coverage (GAP), and credit life and credit disability insurance

to consumers. VHI currently has a private placement offering underway which is only for new franchise vehicle dealers in Mississippi. VHI, during the examination period, did not have any significant operating activities independent of its subsidiaries.

Owner Services, Inc. (“OSI”): This company, a wholly owned subsidiary of VHI, issued vehicle service contracts that provided protection against the risk of economic loss resulting from mechanical failure of specified automobiles and truck part components, and also issued GAP contracts. The company’s risks are insured by Versant Casualty.

Versant Casualty Insurance Company: This company, a Mississippi-domiciled casualty insurance company, wholly owned by VHI, provided reimbursement coverage to OSI for vehicle service and GAP contracts.

Riverland Acceptance Corporation: This company, a wholly owned subsidiary of LDS, financed premiums for vehicle mechanical breakdown contracts written by LDS.

Riverland Agency, Inc.: This company, a wholly owned subsidiary of LDS, distributes ancillary financial institution products written by Louisiana Dealer Services Insurance clients. The company also performs administrative and consulting services for certain non-affiliated mechanical breakdown insurers in Louisiana.

First Assurance Life of America (“FAL”): This Louisiana-domiciled company, a wholly owned subsidiary of LDS, issued credit life and credit accident and health insurance in the state of Louisiana.

Performance Life of America: This Louisiana-domiciled company, whose voting stock was wholly owned by FAL, reinsured credit life and credit accident and health insurance written by FAL.

Loss Deficiency Surety Insurance Company, Inc.: This Louisiana-domiciled is a Property Residual Value insurer organized in 1996 for the purpose of issuing guaranteed automotive protection policies providing protection against the risk of economic loss resulting from a deficiency in the amount paid by the primary insurance company in the event of a total loss and the amount owed to a lessor or lienholder. The company only writes business in the state of Louisiana.

Affiliated and Related Party Transactions

Administrative Services Contract with First Assurance Life of America

Effective November 6, 2001, the Company entered into an administrative services contract with FAL. Pursuant to this contract, FAL provides policy administration, agent appointment and licensing, claims administration, accounting, state insurance department filings, and sales support

and training. The Company pays a fee equal to 6% of the net of the net written credit life premium and 6% of the net earned credit accident and health premium written by the Company. The Company paid \$4,098 to FAL in 2020 for services provided under this contract.

Administrative Services Contract with Versant Casualty Insurance Company

Effective January 1, 2008, the Company entered into an administrative services agreement with Versant Casualty. Pursuant to this agreement, Versant Casualty provided review of monthly and annual financial statements, review of forms and reports as required by regulators, review of participation/retroactive commission program, and consultation and review in regard to the preparation of computer reports and listings as required by the Company. The Company paid a fee equal to 1.4% of net written life premium, plus 1.4% of net earned accident and health premium. The Company paid a total of \$967 in 2020 under this agreement.

Privacy Agreement

Effective January 23, 2008, the Company entered into a privacy agreement with Louisiana Dealer Services and its subsidiaries. Pursuant to the agreement, Louisiana Dealer Services and its subsidiaries agree that all personal, medical, or any other information gathered or handled by Versant Life Insurance Company will be regarded as confidential.

Tax Allocation Agreement

The Company was party to a tax allocation agreement between Versant Holdings, Inc. and each of its subsidiaries. Pursuant to this agreement, the Company was included in the consolidated tax return of Versant Holdings, Inc.

FIDELITY BOND AND OTHER INSURANCE

The Company was a named insured under a fidelity bond issued to the LDS group in the amount of \$1,000,000. The coverage exceeded the minimum amount of fidelity bond coverage recommended by the NAIC for these companies.

PENSIONS, STOCK OWNERSHIP AND INSURANCE PLANS

The Company did not have any direct employees, nor did it provide any benefits or welfare programs for its officers or directors.

TERRITORY AND PLAN OF OPERATION

The Company is licensed to write life, accident and health, credit life and credit accident and health in the state of Mississippi. The Company historically specialized in writing credit life and credit accident and health coverage, which provide the policyholder with protection against the risk of economic loss resulting from death or temporary or permanent disability in which the policies were sold through automobile dealerships.

In June 2018, the Company's management and board of directors decided to make a strategic change to the Company's credit insurance offerings and enter into a General Agents Agreement with the largest direct writer of credit insurance in the automotive industry, Central States Health and Life Insurance Company of Omaha ("CSO"). The change was made in order to replace the Company with CSO as a direct writer of credit insurance. As of December 31, 2020, the Company has ceased completely as a direct writer of credit insurance.

GROWTH OF COMPANY

The review of the growth of the Company was performed based on balances reported in the annual statements filed with the MID during the period under examination.

	2020	2019	2018	2017	2016
Total admitted assets	\$6,073,540	\$6,435,779	\$6,474,680	\$6,546,749	\$6,159,625
Total liabilities	\$823,710	\$988,759	\$1,158,806	\$1,433,548	\$1,442,568
Total capital and surplus	\$5,249,830	\$5,447,020	\$5,315,873	\$5,113,203	\$4,717,057
Net cash from operations	(\$122,438)	\$117,027	\$143,736	\$217,934	\$388,002
Total adjusted risk-based capital	\$5,268,382	\$5,470,432	\$5,338,834	\$5,135,064	\$4,735,789
Authorized control level risk-based capital	\$37,115	\$44,542	\$51,438	\$71,518	\$55,282
Premiums Earned	\$314,526	\$424,736	\$482,692	\$602,474	\$902,639
Net underwriting gain (loss)	\$229,129	\$323,926	\$404,805	\$245,975	\$288,920
Net Income	\$195,608	\$312,666	\$470,194	\$212,193	\$241,957

REINSURANCE

Assumed

Effective June 1, 2018, the Company began assuming reinsured policies from CSO. Pursuant to the reinsurance agreements, the Company assumes 25% of credit life and credit accident and health insurance ceded by CSO. The liability amount assumed is based on the Class A and Class B producers however, the total risk ceded per individual policy shall not exceed \$50,000 on life, or accident and health, nor shall the accident and health risk exceed \$600 per month. The premiums shall be ceded on a written basis and the claims shall be ceded on an incurred basis. CSO receives a ceding fee is 12% of the reinsurance premium.

Ceded

The Company entered into a reinsurance agreement effective June 1, 2000 with Munich American Reassurance Company (MARC), where the Company retained risk of \$25,000 on its single premium credit life insurance business. Effective October 31, 2007, the Company amended this agreement and recaptured 25% of the single premium credit life insurance business issued since June 1, 2000. In addition, the Company began recapturing, on a monthly basis, 25% of the liability ceded to MARC on policies with issue dates after October 31, 2007.

ACCOUNTS AND RECORDS

The 2020 trial balance of the Company's accounts was traced to the balance sheet of the Company's statutory annual statement filed with the MID, with no exceptions noted. The Company was audited annually by an independent CPA firm.

The Company utilized Microsoft Windows Sage 300 operating system for the processing of its records. The Company maintains supporting documentation that was reviewed during the examination as applicable.

The Company was licensed as a life, accident and health insurance company pursuant to Miss. Code Ann. § 83-19-31(a), which required the Company to maintain a minimum capital of \$400,000 and surplus of \$600,000. Pursuant to Miss. Code Ann. § 83-5-55, the Company was required to file an NAIC Life and Health Annual Statement. The Company was also required to file a risk-based capital (RBC) report pursuant to Miss. Code Ann. § 83-5-401 through § 83-5-427.

STATUTORY DEPOSITS

The Company's statutory deposits with the state of Mississippi complied with Miss. Code Ann. § 83-19-31(2) and § 83-7-21. The following chart displays the Company's total statutory deposits as held at December 31, 2020:

<u>Description</u>	<u>Par Value</u>	<u>Fair Value</u>
Bond	\$400,000	\$590,300

FINANCIAL STATEMENTS

Introduction

The financial statements consist of a Statement of Assets, Liabilities, Surplus and Other Funds as of December 31, 2020, a Statement of Income for the year ended December 31, 2020, and a Reconciliation of Capital and Surplus for the examination period ended December 31, 2020.

The following financial statements are based on the statutory financial statements filed by the Company with the Mississippi Insurance Department and present the financial condition of the Company for the period ending December 31, 2020.

**STATEMENT OF ASSETS, LIABILITIES, SURPLUS AND OTHER FUNDS
DECEMBER 31, 2020**

ASSETS

Bonds	\$4,733,907
Cash and cash equivalents	933,113
Investment income due and accrued	40,123
Uncollected premiums and agents balances in course of collection	1,248
Amounts recoverable from reinsurers	3,933
Funds held by or deposited with reinsured companies	317,878
Current federal and foreign income tax recoverable and interest thereon	23,083
Net deferred tax asset	8,439
Aggregate write-ins for other than invested assets	11,816
Total Assets	<u>\$6,073,540</u>

LIABILITIES, SURPLUS AND OTHER FUNDS

Aggregate reserve for life contracts	\$426,095
Aggregate reserve for accident and health contracts	139,321
Contract claims life	11,468
Contract claims for accident and health	16,672
General expenses due or accrued	59,627
Taxes, licenses and fees due or accrued	138,304
Asset valuation reserve	18,552
Payable to parent, subsidiaries, and affiliates	13,670
Total Liabilities	<u>\$823,710</u>
Common capital stock	480,125
Gross paid in and contributed surplus	1,590,814
Unassigned funds (surplus)	3,178,891
Surplus as regards policyholders	<u>\$5,249,830</u>
Total liabilities and surplus	\$6,073,540

**SUMMARY OF OPERATIONS
FOR YEAR ENDED DECEMBER 31, 2020**

Premiums and annuity considerations for life accident and health contracts	\$314,526
Net investment income	150,942
Commissions and expense allowances on reinsurance ceded	(4,012)
Totals	\$461,456
Death benefits	\$79,728
Disability benefits and benefits under accident and health contracts	15,723
Increase in aggregate reserves for life and accident and health contracts	(145,847)
Totals	(\$50,397)
Commissions on premiums, annuity considerations and deposit-type contract funds	(\$11,362)
Commissions and expense allowances on reinsurance assumed	202,352
General insurance expenses	85,724
Insurance taxes, licenses, and fees excluding federal income tax	6,009
Net gain from operations before dividends and federal income tax	\$232,327
Federal and foreign income tax taxes incurred	\$33,522
Net income	\$195,608

**RECONCILIATION OF CAPITAL AND SURPLUS
FOR EXAMINATION PERIOD ENDED DECEMBER 31, 2020**

	2020	2019	2018	2017	2016
Capital and Surplus, December 31, prior year	\$5,447,020	\$5,315,873	\$5,113,203	\$4,717,057	\$4,483,383
Net Income	195,608	312,666	470,194	212,193	241,957
Change in net deferred income tax	(3,181)	(70,744)	(151,312)	195,228	2,256
Change in non-admitted assets	222	7,933	2,108	19,623	(8,594)
Capital in asset valuation reserve	4,860	(451)	(1,100)	(3,129)	(1,945)
Capital changes – Paid in	(15)	(10)	-	(10)	-
Surplus adjustments – Paid in	(3,435)	(2,290)	-	(2,290)	-
Dividends to stockholders	(255,185)	-	(117,220)	(25,000)	-
Aggregate write-ins for gains and losses in surplus	(136,083)	(115,959)	-	(469)	-
Capital and Surplus, December 31, current year	\$5,249,830	\$5,447,020	\$5,315,873	\$5,113,203	\$4,717,058

**RECONCILIATION OF EXAMINATION ADJUSTMENTS TO SURPLUS
DECEMBER 31, 2020**

As a result of this examination, there have been no changes affecting surplus, as regards to policyholders, made to the admitted assets, liabilities, and surplus balance reported by the Company in the December 31, 2020 annual statement as filed with the MID. The capital and surplus reported by the Company of \$5,249,830 is accepted as reasonably stated for purposes of the balance sheet per the examination.

MARKET CONDUCT ACTIVITIES

A full scope market conduct examination was not performed, however, specific areas of the Company's market conduct activities were reviewed. The specific areas reviewed included those items indicated below. No significant exceptions with regard to the limited procedures performed were noted.

Policyholder Services

The Company maintained a complaint log during the period under examination, however, the Company did not receive any complaints during the examination period.

Operations/Management

The Company had a privacy policy in place for the protection of its policyholders. No material concerns were noted during the course of our testing regarding the Company's privacy policy.

Producer Licensing

Agents writing business for the Company in the state of Mississippi were compared to agents records maintained by the MID. No exceptions were noted during the course of our testing regarding the Company's producer licensing.

COMMITMENTS AND CONTINGENT LIABILITIES

At December 31, 2020, the Company was not a party to any legal proceedings. Procedures performed during the course of the examination revealed no pending litigation, commitments, or other contingent liabilities to which the Company was a party as of the examination date.

SUBSEQUENT EVENTS

In March, 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to spread throughout the United States. The COVID-19 pandemic has continued to develop throughout 2020, 2021 and into 2022, with significant uncertainty remaining regarding the full effect of COVID-19 on the U.S. and global insurance and reinsurance industry. At the time of this report, the examination's review noted that there has not been a significant impact to the Company. However, the Department will continue to closely monitor the impact of the pandemic on the Company and will take necessary action if concerns arise.

Effective October 26, 2021, Larry Dean Hart retired as a Director and Otis Wilbert Favre, Jr. and Phillip Wayne Moore were elected as Directors.

Effective December 2, 2021, the Department approved the payment of an extraordinary dividend in the amount of \$477,023 to certain Class B stock owners.

COMMENTS AND RECOMMENDATIONS

The examination did not identify any material comments and/or recommendations deemed appropriate for inclusion in the examination report.

ACKNOWLEDGMENT

The examiners representing the Mississippi Insurance Department and participating in this examination were:

Supervising Examiner: David Palmer, CFE

Examiner-in-charge: Ryne Davison, CFE

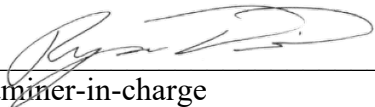
Examiner: Novalene Forbes, CFE

Actuary: Robert Daniel, ACAS, MAAA

Department Designee: Mark Cooley, CFE

The courteous cooperation of the officers and employees responsible for assisting in the examination is hereby acknowledged and appreciated.

Respectfully submitted,



Examiner-in-charge



Department Designee